

RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION

#58-18

Township of South Orange Village, Essex County

WHEREAS, on December 31, 2008, the Township of South Orange Village, Essex County, petitioned the Council on Affordable Housing (COAH) for third round substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, South Orange's petition was deemed complete on February 4, 2009; and

WHEREAS, on February 10, 2009, South Orange published notice of its petition in the *Star Ledger*, which is a newspaper of general circulation within the county, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5; and

WHEREAS, one objection to the plan was received by COAH during the 45-day objection period, which ended March 27, 2009; and

WHEREAS, this objection was subsequently withdrawn on November 23, 2009; and

WHEREAS, South Orange's fair share plan addresses its rehabilitation obligation of 54 units, a 63-unit prior round obligation, and a 65-unit projected growth share obligation; and

WHEREAS, South Orange's plan proposes to address its 54-unit rehabilitation obligation through 42 credits for units rehabilitated through the Essex County Home Improvement Program and through 12 units to be rehabilitated through the South Orange Rehabilitation Program; and

WHEREAS, South Orange's plan proposes to address its 63-unit prior round obligation with three prior cycle credits, 46 post-1986 credits, and 14 rental bonuses; and

WHEREAS, South Orange's plan proposes to address its 65-unit projected growth share obligation with 32 family rental units in the Central Business District Redevelopment Area, 26

family rental units in the Church Street Redevelopment Area, and a 10-unit market to affordable program, along with one rental bonus, resulting in a 20-unit surplus; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on December 22, 2009 COAH issued a Compliance Report (attached as Exhibit A and incorporated by reference herein) recommending approval of South Orange's petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) during which COAH received no comments.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by South Orange comports with the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(a), and after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to South Orange; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(e), South Orange shall adopt all implementing Fair Share Ordinances within 45 days of the grant of substantive certification; and

BE IT FURTHER RESOLVED that if South Orange fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that South Orange shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that within 45 days of the grant of substantive certification, South Orange shall designate an Administrative Agent for its municipal rehabilitation and market to affordable programs; and

BE IT FURTHER RESOLVED that within 45 days of the grant of substantive

certification, South Orange shall submit to COAH a written operating manual for administering its municipal rehabilitation and market to affordable programs; and

BE IT FURTHER RESOLVED that within 45 days of the grant of substantive certification, South Orange shall submit to COAH an adopted resolution of intent to appropriate funds from the general revenue or bond in the event of a funding shortfall; and

BE IT FURTHER RESOLVED that South Orange shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Township's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of South Orange's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in South Orange and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, COAH may direct South Orange to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, South Orange shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), South Orange's substantive certification shall remain in effect until December 31, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of South Orange to provide for the realistic opportunity of its fair share of low and moderate income housing and which the Township fails to remedy, may render this certification null and void.

I hereby certify that this resolution was
duly adopted by the Council on Affordable
Housing at its public meeting on January 13, 2010.

A handwritten signature in cursive script, reading "Renee Reiss". The signature is written in black ink and is positioned above the printed name and title.

Renee Reiss, Secretary
Council on Affordable Housing



***Council on Affordable Housing
Compliance Report
December 22, 2009***



Municipality: Township of South Orange Village
County: Essex County

COAH Region: 2
Planning Area: 1
Special Resource Area: None

Housing Element and Fair Share Plan Adopted: 12/15/2008
Petition for 3rd Round Substantive Certification: 12/31/2008
Completeness Determination: 2/4/2009
Date of Publication: 2/10/2009

Objections Received: Yes- withdrawn on 11/23/2009

Petition Includes:

VLA: No
GPA: No
Waiver: No

Date of Site Visit: 5/22/2009

History of Approvals:

	COAH	JOC	N/A
First Round:			X
Second Round:	1/5/2000		
Extended Certification:			X

Plan Preparer: Paul Gleitz, P.P., AICP – Heyer, Gruel & Associates

Municipal Housing Liaison: John Gross – Village Administrator

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	54
Prior Round Obligation	63
Projected Growth Share Obligation	65

ACTUAL GROWTH and GROWTH SHARE through 9/30/2008¹

Res Units (#)	Actual Res Growth Share	Jobs (#)	Actual Non-Res Growth Share	Actual TOTAL Growth Share
19	3.8 units	0	0 units	4 units

COMPLIANCE PLAN SUMMARY

Obligation	Credit/ Mechanism Type	# Units Completed	# Units Proposed	TOTAL
Rehabilitation: 54 units				
Credits	Post-April 1, 2000	42		42
Program	Municipal		12	12
Rehabilitation Subtotal				54
NEW CONSTRUCTION				
Prior Round: 63 units				
Credits	Prior Cycle	3		3
	Post-1986	16		16
	RCA	30		30
Prior Round Bonuses	Rental	14		14
Prior Round Subtotal				63
Growth Share: 65 units				
Credits	Post-1986	16		16
Proposed Mechanisms	Market to Affordable		10	10
	CBD Redevelopment Area		32	32
	Church Street Redevelopment Area		26	26
Growth Share Bonuses	Rental		1	1
Growth Share Subtotal				85
Surplus				+20

¹ This growth share number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

I. HOUSING ELEMENT

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. South Orange's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's fair share obligation, which is the sum of the rehabilitation share, the prior round obligation, and the growth share.

A. Rehabilitation Share

The rehabilitation share is the number of existing housing units within a municipality as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, South Orange has a rehabilitation share of 54 units.

B. Prior Round Obligation

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. South Orange has a prior round obligation of 63 units.

C. Projected Growth Share

The projected growth share is initially calculated based on household (residential) and employment (non-residential) 2004-2018 projections. Pursuant to Appendix F of N.J.A.C. 5:97, South Orange has a residential projection of 158 units and a non-residential projection of 528 jobs, which results in an initial projected growth share

obligation of 65 affordable units. South Orange's total projected growth share for the period 1999-2018 is therefore 65 affordable units consisting of a 32-unit projected residential growth share and a 33-unit projected non-residential growth share.²

SUMMARY OF FAIR SHARE OBLIGATION

Rehabilitation Share	54
Prior Round Obligation	63
Projected Growth Share Obligation	65

II. FAIR SHARE PLAN

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality's rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

South Orange's Fair Share Plan, and the supporting documentation incorporated by reference therein, addresses the requirements of N.J.A.C. 5:97-3.1 as follows:

A. Plan to Address Rehabilitation Share

Rehabilitation Share Credits

South Orange is requesting credit for 42 units rehabilitated subsequent to April 1, 2000. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Rehabilitation Credits

Rehabilitation Program	# Credits
Essex County Home Improvement Program	42
TOTAL	42

² Pursuant to N.J.A.C. 5:97-2.2(d), South Orange's residential projection of 158 is divided by 5 to yield 31.6 units and the nonresidential projection of 528 jobs is divided by 16 to yield 33.0 units. South Orange's total projected growth share is therefore 65 units (31.6+ 33.0).

Proposed Rehabilitation Program

South Orange Rehabilitation Program

South Orange will utilize a municipal rehabilitation program to address the remaining 12 units of its rehabilitation obligation.

The Township's municipal rehabilitation program is to be made available to both owner-occupied and rental units.

South Orange will utilize \$120,000 in affordable housing trust funds to finance the program. Funding for the municipal rehabilitation program is included in South Orange's spending plan. The Township's petition included a draft resolution of intent to bond in the event of a funding shortfall. This resolution must be adopted within 45 days of the grant of substantive certification and a certified copy submitted to COAH immediately upon adoption.

Within 45 days of the grant of substantive certification the Township must submit documentation demonstrating that an Administrative Agent has been designated to operate the municipal rehabilitation program and an operating manual for the rehabilitation program.

Proposed Rehabilitation Program

Rehabilitation Program	# Units
South Orange Rehabilitation Program	12
TOTAL	12

B. Plan to Address Prior Round Obligation

Prior Round Obligation Credits

South Orange is addressing its prior round obligation with three prior cycle credits, 16 post-1986 credits and 14 rental bonuses, and 30 Regional Contribution Agreement (RCA) credits. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Prior Cycle Credits

Project/Development Name	Year Built	Type of Affordable Unit	# Units/Bedrooms
Partnership for People, Inc.	1986	S/SN housing	3
TOTAL			3

Post-1986 Credits

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Vose Avenue Development, Inc.	1996	S/SN housing	3	Rental	3	6
Project Live VII	1997	S/SN housing	3	Rental	3	6
Community Action for Independent Living	1988	S/SN housing	5	Rental	5	10
Community Options, Inc.	1998	S/SN housing	3	Rental	3	6
B'nai B'rith Senior Housing	1992	Age-restricted rental	2	-	0	2
City of Orange RCA	2003	Family sale	30	-	0	30
TOTAL			46		14	60

Proposed Affordable Housing Mechanisms

South Orange is relying on credits and therefore is not proposing any additional affordable housing mechanisms to address its prior round obligation.

Prior Round Obligation Parameters

South Orange has satisfied the applicable prior round parameters as follows:

Prior Round Rental Obligation³: 15 Units

Development/Project Name	Type of Affordable Unit	# Units
Partnership for People, Inc.	S/SN housing	3
Vose Avenue Development, Inc.	S/SN housing	3
Project Live VII	S/SN housing	3
Community Action for Independent Living	S/SN housing	5
Community Options, Inc.	S/SN housing	3
B'nai B'rith Senior Housing	Age-restricted rental	2
TOTAL		19

Prior Round Age-Restricted Maximum⁴: 10 Units

Development/Project Name	Type of Affordable Unit	# Units
B'nai B'rith Senior Housing	Age-restricted rental	2
TOTAL		2

Regional Contribution Agreement (RCA) Maximum⁵: 36 Units

Receiving Municipality	Type of Affordable Unit	# Units
City of Orange	Family sale	30
TOTAL		30

³ Rental Obligation: $.25(\text{PRO}-\text{Prior Cycle Credits})$ or $.25(63-3)=15$ units N.J.A.C. 5:97-3.10(b)1

⁴ Age-Restricted Maximum: $.25(\text{PRO}+\text{Rehabilitation Share}-\text{Prior Cycle Credits}-\text{Rehabilitation Credits}-\text{Transferred RCA units})$ or $.25(63+54-3-42-30)=10$ units N.J.A.C. 5:97-3.10(c)1

⁵ RCA Maximum: $.5(\text{PRO}+\text{Rehabilitation Share}-\text{Prior Cycle Credits}-\text{Rehabilitation Credits})$ or $.5(63+54-3-42)=36$ units N.J.A.C. 5:97-3.10(d)1

Prior Round Rental Bonus Maximum⁶: 15 Units

Development/Project Name	Type of Bonus	# Bonuses
Partnership for People, Inc.	Rental	3
Vose Avenue Development, Inc.	Rental	3
Project Live VII	Rental	3
Community Action for Independent Living	Rental	5
TOTAL		14

C. Plan to Address Projected Growth Share

Growth Share Obligation Credits

South Orange is proposing to address 16 units of its projected growth share obligation with 16 post-1986 credits. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

Post-1986 Credits

Project/Development Name	Year Built or Approved	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
B'nai B'rith Senior Housing	1992	Age-restricted rental	16	-	0	16
TOTALS			16		0	16

Proposed Affordable Housing Mechanisms

South Orange proposes to address its remaining 49-unit growth share obligation through the following mechanisms:

Market to Affordable Program

South Orange will rely on a market to affordable program to address 11 units of its projected growth share obligation through 10 family rental units and one rental bonus. South Orange may lose the one rental bonus if the market to affordable units are not created in accordance with the Township's implementation schedule.

⁶ No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation or 15 units N.J.A.C. 5:97-3.5

The market to affordable program will be designed to be made available for family rental units only. Units will be subsidized through a written agreement with the property owner and rented to moderate- and low-income households. The Township has identified four rental properties containing a total of 23 units that are likely candidates for conversion from market-rate to affordable units. These properties are located at 174 South Orange Avenue, 310 South Orange Avenue, 171 South Orange Avenue, and 315 Irvington Avenue. South Orange anticipates that one unit per year for the duration of the period of third round substantive certification will be converted from a market-rate unit to a unit affordable to moderate- and low-income households.

The Township will provide minimum subsidies of \$25,000 per unit to subsidize moderate-income units and \$30,000 per unit to subsidize low-income units. South Orange will utilize a minimum of \$275,000 in affordable housing trust funds to provide the financing to support the program. The market to affordable program is included in South Orange's spending plan and the Township provided a draft resolution of intent to bond in the event of a funding shortfall. This resolution must be adopted within 45 days of the grant of substantive certification and a certified copy submitted to COAH immediately upon adoption.

The units must be certified to be in sound condition as a result of an inspection performed by a licensed building inspector, be affirmatively marketed, and have the proper affordability controls and rental pricing. Within 45 days of the grant of substantive certification South Orange must designate an administrative agent responsible for administering the market to affordable program and must provide an operating manual for the program.

Central Business District Redevelopment Area

South Orange will utilize redevelopment in the Central Business District (CBD) Redevelopment Area to address 32 units of its growth share obligation through 32 family rental units. The Township has additionally requested 10 redevelopment bonuses for the CBD Redevelopment Area. Although the Township is not eligible at this time to receive the 10 redevelopment bonuses, they may be granted in the future if evidence of a firm

commitment for the construction of the units can be submitted, pursuant to N.J.A.C. 5:97-3.19(b).

The Township has identified four different sites within the CBD Redevelopment Area that it believes will redevelop within the period of third round substantive certification. These sites are block 1106, lots 1, 2, and 14; block 1902, lots 22-26; block 1906, lots 1, 13, and 14; and block 2304, lots 3-9, and total 4.91 acres in size. The Township estimates these sites will yield 126 market rate units and 32 affordable family rental units.

South Orange will follow an implementation schedule for the development to occur in the CBD Redevelopment Area. Pursuant to N.J.A.C. 5:97-3.2(a)4, South Orange has provided an implementation schedule that demonstrates a realistic opportunity, as defined under N.J.A.C. 5:97-1.4, and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.6. The Township's mechanism checklist form includes a timetable for each step of the development process in accordance with N.J.A.C. 5:97-6.6(d). The Township's implementation schedule anticipates that construction will begin in January of 2017; as a result, supporting documentation must be submitted to COAH by 2015, or two years before construction begins.

The Township's Board of Trustees adopted resolutions in 1995, 1996, 1998, and 1999 declaring the various parcels that constitute the CBD Redevelopment Area to be Areas in Need of Redevelopment. The Board of Trustees adopted the initial CBD Redevelopment Plan in 1996 and subsequent amendments to that plan in 1999 and 2002.

The CBD Redevelopment Area as adopted by the Board of Trustees includes properties in 12 blocks of the Township. The redevelopment area is located entirely in Planning Area 1 and is near the approximate geographic center of South Orange, bounded by South Orange Avenue, Vose Avenue, Third Street, and Sloan Street. The redevelopment area contains a variety of retail and service uses, automobile-related uses, offices, a former car dealership, an NJ Transit surface parking lot, and several municipal surface parking lots. Adjacent to the redevelopment area are additional retail and service uses and the South Orange rail station. The redevelopment area contains public water

and public sewer in adequate capacity to support the anticipated development. There are no environmental constraints that would restrict development in the redevelopment area.

The most recently adopted amendment to the CBD Redevelopment Plan permits a residential density of 43 units per acre. The plan additionally references the affordable housing requirements of South Orange's Affordable Housing Ordinance, which presently requires a 20% affordable housing set-aside, but permits a payment-in-lieu option. The Township will amend its Affordable Housing Ordinance to eliminate the payment-in-lieu option and require a 20% on-site affordable housing set-aside for all residential development in redevelopment areas. A draft Affordable Housing Ordinance reflecting this amendment has been provided, which must be adopted within 45 days of the grant of substantive certification and submitted to COAH upon adoption. The Township additionally indicates that any redevelopment agreements entered into for development to occur in the CBD Redevelopment Area will require the provision of affordable family rental units and that South Orange will provide financial subsidies to incentivize creating rental units.

Church Street Redevelopment Area

South Orange will utilize redevelopment in the Church Street Redevelopment Area to address 26 units of its growth share obligation through 26 family rental units. The Township has additionally requested eight redevelopment bonuses for the Church Street Redevelopment Area. Although the Township is not eligible at this time to receive the eight redevelopment bonuses, they may be granted in the future if evidence of a firm commitment for the construction of the units can be submitted, pursuant to N.J.A.C. 5:97-3.19(b).

The Township has identified four different sites within the Church Street Redevelopment Area that it believes will redevelop within the period of third round substantive certification. These sites are block 1901, lots 27-29; block 1902, lots 39-40; block 1903, lots 1-8; and block 2301, lots 33-45, and total 4.11 acres in size. The Township estimates these sites will yield 101 market rate units and 26 affordable family rental units.

South Orange will follow an implementation schedule for the development to occur in the Church Street Redevelopment Area. Pursuant to N.J.A.C. 5:97-3.2(a)4, South Orange has provided an implementation schedule that demonstrates a realistic opportunity, as defined under N.J.A.C. 5:97-1.4, and sets forth a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.6. The Township's mechanism checklist form includes a timetable for each step of the development process in accordance with N.J.A.C. 5:97-6.6(d). The Township's implementation schedule anticipates that construction will begin in January of 2017; as a result, supporting documentation must be submitted to COAH by 2015, or two years before construction begins.

The Township's Board of Trustees adopted a resolution in April 2000 designating the parcels that make up the Church Street Redevelopment Area to be an Area in Need of Redevelopment. A Redevelopment Plan was subsequently adopted by the Board of Trustees in May 2000 and later amended in May 2005.

The Church Street Redevelopment Area as adopted by the Board of Trustees includes block 1901, lots 16-29, block 1903, lots 1-13, 38-40, block 1904, lot 4, and block 2301, lots 21, 33-44, 46-56. The redevelopment area is located entirely in Planning Area 1, is adjacent to the Township's central business district, and is bounded by South Orange Avenue, Third Street, and Church Street. The redevelopment area presently contains a variety of retail and residential uses. Adjacent to the redevelopment area are retail and service uses and the South Orange rail station. The redevelopment area contains public water and public sewer in adequate capacity to support the anticipated development. There are no environmental constraints that would restrict development in the redevelopment area.

The most recently adopted Redevelopment Plan permits residential densities of 22 units/acre in the Church Street R-22 zone; 32 units/acre in the Church Street R-32 zone; and 38 units/acre in the Church Street R-38 zone. The plan additionally references the affordable housing requirements of South Orange's Affordable Housing Ordinance, which presently requires a 20% affordable housing set-aside, but permits a payment-in-lieu option. The Township will amend its Affordable Housing Ordinance to eliminate the

payment-in-lieu option and require a 20% on-site affordable housing set-aside for all residential development in redevelopment areas. A draft Affordable Housing Ordinance reflecting this amendment has been provided, which must be adopted within 45 days of the grant of substantive certification and submitted to COAH upon adoption. The Township additionally indicates that any redevelopment agreements entered into for development to occur in the Church Street Redevelopment Area will require the provision of affordable family rental units and that South Orange will provide financial subsidies to incentivize creating rental units.

Proposed Growth Share Affordable Housing Mechanisms

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Market to Affordable Program	Family rental	10	Rental	1	11
CBD Redevelopment Area	Family rental	32	-	0	32
Church Street Redevelopment Area	Family rental	26	-	0	26
TOTALS		68		1	69

Growth Share Parameters

South Orange will address the applicable growth share parameters as follows:

Growth Share Rental Obligation⁷: 17 Units

Development/Project Name	Type of Affordable Unit	# Units
Market to Affordable Program	Family rental	10
CBD Redevelopment Area	Family rental	32
Church Street Redevelopment Area	Family rental	26
TOTAL		68

⁷ Projected Growth Share Rental Obligation: .25(Projected Growth Share) or .25(65)= 17 units N.J.A.C. 5:97-3.10(b)3

Growth Share Family Rental Requirement⁸: 9 Units

Development/Project Name	Type of Affordable Unit	# Units
Market to Affordable Program	Family rental	10*
CBD Redevelopment Area	Family rental	32
Church Street Redevelopment Area	Family rental	26
TOTAL		68

*In accordance with N.J.A.C. 5:97-3.6(a)4, nine of these units are addressing the minimum family rental requirement and are therefore not eligible to receive rental bonuses.

Growth Share Minimum Family Requirement⁹: 33 Units

Development/Project Name	Type of Affordable Unit	# Units
Market to Affordable Program	Family rental	10
CBD Redevelopment Area	Family rental	32
Church Street Redevelopment Area	Family rental	26
TOTAL		68

Very Low Income Minimum Requirement¹⁰: 6 Units

Development/Project Name	Type of Affordable Unit	# Units
Market to Affordable Program	Family rental	2
CBD Redevelopment Area	Family rental	2
Church Street Redevelopment Area	Family rental	2
TOTAL		6

Age-Restricted Maximum¹¹: 16 Units

Development/Project Name	Type of Affordable Unit	# Units
B'nai B'rith Senior Housing	Age-restricted rental	16
TOTAL		16

⁸ Projected Growth Share Family Rental Requirement: .5(Projected Growth Share Rental Requirement) or .5(17)= 9 units N.J.A.C. 5:97-3.4(b)

⁹ Projected Growth Share Family Requirement: .5(Units Addressing the Growth Share Obligation) or .5(65)= 33 units N.J.A.C. 5:97-3.9

¹⁰ Growth Share Very Low Income Requirement: .13(Units Addressing Growth Share Obligation) or .13(65-16)= 6 units N.J.S.A. 52:27D-329.1

¹¹ Projected Growth Share Age Restricted Maximum: .25(Projected Growth Share) or .25(65)= 16 units N.J.A.C. 5:97-3.10(c)2

Bonus Maximum¹²: 16 Bonuses

Development/Project Name	Type of Bonus	# Bonuses
Market to Affordable Program	Rental	1
TOTAL		1

Actual Growth Share Obligation

The actual growth share obligation will be based on permanent certificates of occupancy issued within the municipality for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 30, 2008, South Orange has issued certificates of occupancy for 19 housing units and also for the nonresidential square footage equivalent of 0 jobs, yielding an actual growth share obligation through September 30, 2008 of 4 affordable units.¹³

D. Summary of Plan to Address Fair Share Obligation

REHABILITATION SHARE SUMMARY
Rehabilitation Share: 54 Units

Program Name	Credits	Proposed
South Orange Rehabilitation Program	0	12
Essex County Home Improvement Program	42	0
Subtotal	42	12
TOTAL		54

¹² Projected Bonus Maximum: $.25(\text{Projected Growth Share})$ or $.25(65) = 16$ units N.J.A.C. 5:97-3.20

¹³ The number of residential COs (19) is initially divided by 5 to yield 3.8 units and the number of jobs (0) is initially divided by 16 to yield 0 units. South Orange's total actual growth share is therefore 4 units (4+0). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

PRIOR ROUND SUMMARY
Prior Round Obligation: 63Units

	Name of Mechanism	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Prior Cycle Credits	Partnership for People, Inc.	3			3
Post-1986 Credits	Vose Avenue Development, Inc.	3	Rental	3	6
	Project Live VII	3	Rental	3	6
	Community Action for Independent Living	5	Rental	5	10
	Community Options, Inc.	3	Rental	3	6
	B'nai B'rith Senior Housing	2	-	0	2
	City of Orange RCA	30	-	0	30
Subtotal		49		14	
TOTAL					63

GROWTH SHARE SUMMARY
Projected Growth Share Obligation: 65 Units

	Name of Mechanism	# Units/Bedrooms	Bonus Type	# Bonuses	Total Units/Bedrooms + Bonuses
Post-1986 Credits	B'nai B'rith Senior Housing	16	-	0	16
Proposed Mechanisms	Market to Affordable Program	10	Rental	1	11
	CBD Redevelopment Area	32	-	0	32
	Church Street Redevelopment Area	26	-	0	26
Subtotal		84		1	
TOTAL					85
Surplus					+20

III. FAIR SHARE DOCUMENT REVIEW

A. Development Fee Ordinance

South Orange must submit a draft amended development fee ordinance for COAH's review and approval that either follows COAH's model ordinance or addresses the required items as outlined on page 15 of COAH's petition application.

B. Third Round Spending Plan

A revised third round spending plan was submitted by South Orange with the Township's third round petition for COAH's review and approval. The spending plan will be reviewed by COAH in a separate report.

C. Affordable Housing Ordinance/Affordable Housing Administration

South Orange has an adopted affordable housing ordinance for its prior round obligation. South Orange has submitted a draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., which was amended on December 20, 2004. The draft proposed ordinance complies with the Barrier Free Subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 et seq.) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison and appointing the Village Administrator to the role municipal housing liaison were passed by the Board of Trustees on October 11, 2006 and June 15, 2009, respectively.

South Orange is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Township and must identify an experienced administrative entity for that purpose. Within 45 days of the grant of substantive certification South Orange must designate an Administrative Agent to administer its municipal rehabilitation and market to affordable programs. Pursuant to N.J.A.C. 5:80-26.14(b), within 45 days of the grant of substantive certification South Orange must also submit a written operating manual for

administering affordable units within the Township for its municipal rehabilitation and market to affordable programs.

D. Affirmative Marketing Plan

South Orange has submitted an affirmative marketing plan that comports with the requirements of the UHAC and ensures the units in the Township's 1987-2018 Fair Share Plan and all future affordable housing units will be affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. The affirmative marketing plan must be adopted by resolution by South Orange within 45 days of COAH's grant of substantive certification and submitted to COAH.

IV. MONITORING

South Orange must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the municipality's actual growth pursuant to N.J.A.C. 5:97-2.5. As indicated above, credits for built units will be validated and verified by COAH staff during monitoring prior to the first biennial plan evaluation. It should be noted that credits for affordable housing programs and/or affordable units must be in compliance with N.J.A.C. 5:97-4. If the units are determined not to be eligible for credit, COAH will notify South Orange in writing and the Township may be directed to amend its certified plan to address the shortfall.

Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of South Orange's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in South Orange and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater, South Orange is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97- 3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable

housing, the Council may direct the municipality to amend its plan to address the shortfall.

V. RECOMMENDATION

COAH staff recommends that South Orange be granted third round substantive certification. South Orange must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption. Within 45 days of the grant of substantive certification the Township must also provide the following:

1. Documentation demonstrating that an Administrative Agent has been designated to operate the municipal rehabilitation program and the market to affordable program.
2. Operating manuals for the municipal rehabilitation program and the market to affordable program.
3. An adopted resolution of intent to bond or appropriate funds from the general revenue in the event of a funding shortfall must be adopted within 45 days of the grant of substantive certification and a certified copy submitted to COAH upon adoption.